

# CONSOLIDATED STATEMENTS OF INCOME

TOSHIBA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES  
Years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
<b>Net sales</b>	<b>¥148,779</b>	¥164,386	<b>\$1,484,969</b>
Cost of sales	<b>101,628</b>	109,801	<b>1,014,353</b>
Gross profit	<b>47,151</b>	54,585	<b>470,616</b>
<b>Selling, general and administrative expenses (Notes 16)</b>	<b>28,180</b>	34,078	<b>281,266</b>
Operating income	<b>18,971</b>	20,507	<b>189,350</b>
<b>Other income:</b>			
Interest and dividend	<b>347</b>	228	<b>3,463</b>
Rent income	<b>166</b>	—	<b>1,657</b>
Equity in earnings of affiliates	<b>41</b>	—	<b>409</b>
Foreign exchange gain	—	357	—
Gain on sales of property, plant and equipment	<b>12</b>	—	<b>120</b>
Gain on sales of investments in consolidated subsidiaries and affiliates	<b>2,850</b>	517	<b>28,446</b>
Gain on sales of investments in securities	<b>3,130</b>	22	<b>31,241</b>
Gain on sales of golf membership	—	20	—
Gain on change in interest in consolidated subsidiary	<b>511</b>	—	<b>5,100</b>
Others	<b>322</b>	559	<b>3,214</b>
	<b>7,379</b>	1,703	<b>73,650</b>
<b>Other expenses and losses:</b>			
Interest	<b>334</b>	514	<b>3,334</b>
Loss on sales of notes receivable	<b>134</b>	123	<b>1,337</b>
Foreign exchange loss	<b>215</b>	—	<b>2,146</b>
Amortization of transitional obligation for employees' retirement benefits (Note 9)	<b>571</b>	818	<b>5,699</b>
Brand fee expense	<b>209</b>	—	<b>2,086</b>
Loss on disposal of property, plant and equipment	<b>291</b>	198	<b>2,904</b>
Loss on revision of retirement benefit plan	<b>3,708</b>	—	<b>37,010</b>
Accrued for directors' retirement benefits for prior periods	<b>163</b>	—	<b>1,627</b>
Loss on impairment of fixed assets	—	33	—
Allotment of transfer construction (Note 17)	—	300	—
Others	<b>205</b>	474	<b>2,046</b>
	<b>5,830</b>	2,460	<b>58,189</b>
Income before income taxes and minority interest	<b>20,520</b>	19,750	<b>204,811</b>
<b>Income taxes (Note 14)</b>			
Current	<b>9,571</b>	8,802	<b>95,528</b>
Deferred	<b>(2,961)</b>	(365)	<b>(29,554)</b>
	<b>6,610</b>	8,437	<b>65,975</b>
Income before minority interest	<b>13,910</b>	11,313	<b>138,836</b>
Minority interest in income of consolidated subsidiaries	—	484	—
Net income	<b>¥13,910</b>	¥10,829	<b>\$138,836</b>
	Yen		U.S. dollars
<b>Net income per share of common stock</b>	<b>¥86.79</b>	¥65.80	<b>\$0.87</b>

See accompanying notes to financial statements.

# CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

TOSHIBA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES

Years ended March 31, 2008 and 2007

Millions of yen									
	Number of Shares	Common Stock	Additional paid in capital	Retained earnings	Treasury stock	Unrealized gain on securities, net	Deferred gains or losses on hedge	Translation adjustments	Minority Interest in consolidated subsidiaries
Balance at March 31, 2006	166,885,530	¥12,485	¥19,538	¥23,423	¥(693)	¥5,753	—	¥(159)	¥2,362
Net income				10,829					
Purchase of treasury stock					(1,474)				
Disposal of treasury stock			63		95				
Cash dividends				(2,306)					
Bonuses to directors and statutory auditors				(51)					
Net changes in items other than shareholders' equity						257	14	159	734
Balance at March 31, 2007	166,885,530	12,485	19,601	31,895	(2,072)	6,010	14	(0)	3,096
Net income				13,910					
Purchase of treasury stock					(6,326)				
Cash dividends				(1,926)					
Net changes in items other than shareholders' equity						(3,540)	9	(56)	(3,096)
Balance at March 31, 2008	166,885,530	¥12,485	¥19,601	¥43,879	¥(8,398)	¥2,470	¥23	¥(56)	—
Thousands of U.S. dollars									
	Common Stock	Additional paid in capital	Retained earnings	Treasury stock	Unrealized gain on securities, net	Deferred gains or losses on hedge	Translation adjustments	Minority Interest in consolidated subsidiaries	
Balance at March 31, 2007	\$124,613	\$195,638	\$318,345	\$(20,681)	\$59,986	\$140	\$ (0)	\$30,901	
Net income			138,836						
Purchase of treasury stock				(63,139)					
Cash dividends			(19,223)						
Net changes in items other than shareholders' equity					(35,333)	90	(559)	(30,901)	
Balance at March 31, 2008	\$124,613	\$195,638	\$437,958	\$(83,820)	\$24,653	\$230	\$ (559)	—	

See accompanying notes to financial statements